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Committee on Judiciary Legislative Office Building Hartford, CT 06106

Re: Con

Committee Bill 725

"An Act Concerning Reforms Related to Condominiums and other Common Interest Communities"

Dear Members of the Committee:

The purpose of this letter is to oppose Committee Bill No. 725 entitled "An Act Concerning Reforms Related to Condominiums and other Common Interest Communities." Since 1987 the core practice area of this law firm has been representing condominiums, cooperatives and planned communities. At present this law firm represents approximately 300 community associations throughout the state of Connecticut.

The purpose of Committee Bill 725 is to 1) impose term limits on a community association board of directors and 2) prohibit people with a direct or indirect familial relationship from serving on a community association board of directors at the same time. While term limits may be appropriate in some instances they are not when it comes to common interest communities. The notion of terms limits came from situations in which access to the electorate was limited for candidates at the state and nation levels. Let me explain why they are not appropriate here.

What this Bill would do is shrink the already very small pool of qualified and willing volunteers who are able to serve on these boards. You must understand that the membership of these communities elect their boards. I can tell you from experience that one of the biggest challenges facing far too many common interest communities is finding people to serve on the board. Serving on a board of directors for a common interest community is a volunteer and often thankless job. I cannot tell you how many of the associations we represent have vacant seats on the board due to the lack of interest on the part of the members of the community. This bill would make this situation worse.

It is true that there are individuals who have served multiple terms on various boards.

Many of these individuals are re-elected time and time again because they have demonstrated that they have the skills to be effective leaders and have the support of the community behind them. If someone is willing and qualified and has the overwhelming support of the community why should they be forced to retire their seat? The legislature should not interfere with the right of the community to choose its leadership.

I could also envision a community literally running out of people to serve on the board under this Bill. My colleagues and I often refer to Connecticut as "the land of small condominiums." Unlike the western United States where you find common interest communities with a thousand or more units in Connecticut there are scores of communities with less than twenty (20) units. I know of a number of communities with less than ten (10) units. If members are only allowed to serve for six (6) years and, as with many of the associations I represent there is not a high turnover in ownership, they will actually run out of people who can serve. Then what?

Term limits may appear to be a strategy that would address those situations in which a majority of the units in a complex are owned by a single entity and they therefore control every aspect of community operations. While term limits may get the block owner off the board they would still have the votes assigned to their units and thus be able to steer the direction of the community. I would also suggest that in these situations running out of people to serve, as described above, would eventually become a problem as well. If the legislature's aim is ensuring that a minority interest is present on a board a different approach is needed.

I would like to leave you with an example of how this Bill would have a disastrous impact on an actual community. I represent a six (6) unit condominium located in East Haven. The bylaws call for a three (3) member board of directors. There are currently two (2) board members and they are brothers. To my knowledge there has never been a full compliment of board members in this community. These two brothers, who each own a unit, are the only two unit owners who are willing to serve. Each year they beg the other members of the community to join them and help out and each year their pleas go unanswered. These brothers have served more than six (6) years. If this Bill was law today this community would have no legal decision makers available to contract for services, insurance and the other operational essentials. A Bill such as this cannot become law without you also creating a mechanism by which some entity can step in to administer these communities when they run out of qualified board members.

I therefore urge you to oppose the passage of this proposed legislation.

Sincerely,

Christopher E. Hansen